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July 18, 2007

Diane Miyashiro, Docket Clerk to
The Honorable Ronald Whyte, District Judge
United States Courthouse
280 S. First Street, Fourth Floor
San Jose, CA 95113

FILED
SEP 18 2007
RECEIVED IN THE
CLERK'S OFFICE
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE

RE: In re SonicBlue Incorporated
C07-3483 RMW

Dear Ms. Miyashiro:

On July 9, 2007, the Court issued its Order Setting Status Conference, a copy of which is enclosed, contemplating that the Court would issue a briefing schedule after it received the Record on Appeal from the Bankruptcy Court.

In fact, this is an interlocutory appeal, and so the Record on Appeal will not be transmitted unless and until the Court grants leave to appeal. The Motion for Leave to Appeal has now been fully briefed and electronically filed in the Bankruptcy Court, but must be ruled upon by the District Court. I have taken the liberty of enclosing Chambers Copies of the all of that briefing.

I do not know if the Bankruptcy Court will transmit the Motion for Leave to Appeal and associated papers to the District Court electronically. I would be happy to re-file those documents electronically with the District Court if that would be helpful, although I will be out of the country until July 26th.

If I can be of any assistance in this matter, please do not hesitate to call

Very truly yours,

Michael St. James

Cc: Grant Stein, Esq. (w/o encl).
Cecily Dumas, Esq. (w/o encl.)

Michael St. James, CSB No. 95653
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Counsel for York Credit Opportunities Fund, L.P.

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

In re)
SONICBLUE INCORPORATED et al.)
Debtor.)

Case No. 03-51775 through 03-51778
Chapter 11

NOTICE OF APPEAL



UNITED STATES BANKRUPTCY COURT
Northern District of California

I certify that this is a true, correct and full copy
of the original document on file in my custody.

Dated 9-18-07
by Janet D. Barton
Deputy Clerk

1 York Credit Opportunities Fund, L. P. appeals under 28 U.S.C. § 158(a) or (b) from the
2 judgment, order or decree of the bankruptcy judge entitled "Final Order Authorizing the Retention of
3 Alston & Bird, L.L.P. as counsel to Dennis J. Connolly, Chapter 11 Trustee" (the "Employment Order")
4 entered in this case on the 21st day of June 2007, a copy of which is attached hereto.

5 The names of all parties to the judgment, order, or decree appealed from and the names,
6 addresses, and telephone numbers of their respective attorneys are as follows:

7
8 YORK CREDIT OPPORTUNITIES FUND, L.P.
Appellant

9 Michael St. James, Esq.
10 ST. JAMES LAW, P.C.
11 155 Montgomery St., Suite 1004
12 San Francisco, CA 94104-4117
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415-391-7568 (fax)
13 michael@stjames-law.com

Counsel for Appellant YORK CREDIT OPPORTUNITIES FUND, L.P.

14
15 DENNIS J. CONNOLLY, Trustee
16 Appellee

17 Counsel for Trustee

18 Grant T. Stein, Esq.
19 ALSTON & BIRD
1201 W Peachtree St.
20 Atlanta, GA 30309-3424
21 (404) 881-7000

22 Cecily Dumas, Esq.
23 Friedman Dumas & Springwater, LLP
150 Spear Street, Suite 1600
24 San Francisco, CA. 94105
(415) 834-3800

25 Counsel for Appellee DENNIS J. CONNOLLY, TRUSTEE
26
27
28

1 DATED: July 2, 2007

ST. JAMES LAW, P.C.

3 By /s/ Michael St. James

4 Michael St. James

5 Counsel for YORK CREDIT OPPORTUNITIES
FUND, L.P.

6 155 Montgomery St., Suite 1004

7 San Francisco, CA 94104-4117

8 415-391-7566 (voice)

9 415-391-7568 (fax)

10 If a Bankruptcy Appellate Panel Service is authorized to hear this appeal, each party has a right to have
11 the appeal heard by the district court. The appellant may exercise this right only by filing a separate
12 statement of election at the time of the filing of this notice of appeal. Any other party may elect, within
13 the time provided in 28 U.S.C. § 158(c), to have the appeal heard by the district court.
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June 21, 2007

GLORIA L. FRANKLIN, CLERK
U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

1 FRIEDMAN DUMAS & SPRINGWATER LLP
2 CECILY A. DUMAS (S.B. NO. 111449)

3 150 Spear Street, Suite 1600
4 San Francisco, CA 94105
5 Telephone Number: (415) 834-3800
6 Facsimile Number: (415) 834-1044

**The following constitutes
the order of the court. Signed June 21, 2007**

A handwritten signature of Marilyn Morgan in cursive script.

**Marilyn Morgan
U.S. Bankruptcy Judge**

7 ALSTON & BIRD LLP
8 GRANT T. STEIN
9 1201 West Peachtree Street
10 Atlanta, GA 30309
11 Telephone Number: (404) 881-7000
12 Facsimile Number: (404) 881-7777
13 (admitted *pro hac vice*)

14 *Attorneys for Dennis J. Connolly in His Capacity as
15 Chapter 11 Trustee for SONICblue Incorporated, et al.*

16 UNITED STATES BANKRUPTCY COURT
17 NORTHERN DISTRICT OF CALIFORNIA
18 SAN JOSE DIVISION

19 In re

20 SONICBLUE INCORPORATED,
21 a Delaware corporation, DIAMOND
22 MULTIMEDIA SYSTEMS, INC.,
23 a Delaware corporation, REPLAYTV,
24 INC., a Delaware corporation, and
25 SENSORY SCIENCE CORPORATION,
26 a Delaware corporation,

27 Debtors.

Case Nos. 03-51775 through 03-51778

Chapter 11 Cases

Jointly Administered

**FINAL ORDER AUTHORIZING THE
RETENTION OF ALSTON & BIRD LLP
AS COUNSEL TO DENNIS J.
CONNOLLY, THE CHAPTER 11
TRUSTEE**

Date: June 14, 2007

Time: 1:30 p.m.

Place: 280 South First Street
San Jose, CA 95113

Judge: Hon. Marilyn Morgan

28 The application filed May 2, 2007 (the "Application") of Dennis J. Connolly,
the Chapter 11 Trustee (the "Trustee") in the above-captioned Chapter 11 bankruptcy cases of
SONICblue Incorporated, Diamond Multimedia Systems, Inc., ReplayTV, Inc., and Sensory
Science Corporation (collectively, the "Debtors"), requesting the authority to employ Alston
& Bird LLP ("A&B") as attorneys for the Trustee in these cases filed pursuant to Chapter 11

1 of the United States Bankruptcy Code (the "Bankruptcy Code") came on for hearing on June
2 14, 2007 at 10:30 a.m. and 1:30 p.m. in the above-referenced court. Grant T. Stein, Alston &
3 Bird LLP and Cecily A. Dumas, Friedman Dumas & Springwater LLP appeared on behalf of
4 the Trustee; Michael St. James, St. James Law P.C., appeared on behalf of York Credit
5 Opportunities Fund, L.P. ("York"); Nanette Dumas appeared on behalf of the United States
6 Trustee; other appearances were made as noted in the record of the proceeding. The Court
7 having found that notice of the Application was adequate under the circumstances; and the
8 Court having entered an Interim Order approving the Application on May 8, 2007, and
9 ordered that a hearing be held on June 14, 2007 on final approval of the Application; the
10 Court having considered the Objection to Trustee's Proposed Counsel (the "Objection") filed
11 by York, the Trustee's Reply Memorandum and Declaration of Dennis J. Connolly in support
12 thereof, the Reply of the United States Trustee, York's Supplemental Objection, and the
13 related submissions, and argument of counsel presented at the hearing; the Court having
14 found that (1) A&B does not hold or represent an interest that is adverse to the estate and is
15 disinterested within the meaning of the Bankruptcy Code, and (2) that the retention of A&B
16 by the Trustee is in the best interests of the estates, it is hereby

17 ORDERED that:

- 18 1. The Objection is overruled;
- 19 2. The Application is granted; and
- 20 3. The Trustee is authorized, pursuant to Sections 327(a) and 327(d) of the
21 Bankruptcy Code, to retain A&B as of April 17, 2007, the date of the Trustee's appointment,
22 as his attorneys in all matters relating to the performance of his duties as the Chapter 11
23 Trustee in these cases as set forth in the Application.

24 ///

25 ///

26 ///

27 ///

1
2 APPROVED AS TO FORM:

3
4 ST. JAMES LAW, P.C.

5
6 By: 

7 Michel St. James
8 Counsel for York Credit Opportunities
Fund, L.P.

9
10 OFFICE OF THE UNITED STATES TRUSTEE

11
12 By: _____

13 Nanette Dumas
14 Counsel for the United States Trustee

15
16 ** END OF ORDER **
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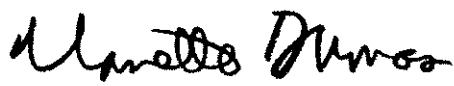
28 FINAL ORDER AUTHORIZING RETENTION
OF ALSTON & BIRD LLP
OF ALSTON & BIRD AS COUNSEL

1
2 APPROVED AS TO FORM:

3 ST. JAMES LAW, P.C.
4
5

6 By: _____
7 Michael St. James
8 Counsel for York Credit Opportunities
Fund, L.P.

9 OFFICE OF THE UNITED STATES TRUSTEE
10

11
12 By:  _____
13 Nanette Dumas
14 Counsel for the United States Trustee
15

16 ** END OF ORDER **
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28 FINAL ORDER AUTHORIZING RETENTION
OF ALSTON & BIRD LLP
OF ALSTON & BIRD AS COUNSEL

COURT SERVIC LIST

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Levene, Neale, Bender, Rankin & Brill L.L.P.
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Office of the U.S. Trustee
Nanette Dumas, Esq.
280 South First Street, Room 268
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Counsel for York Credit Opportunities Fund, L.P.



**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

In re

SONICBLUE INCORPORATED et al.
Debtor.

Case No. 03-51775 through 03-51778
Chapter 11

ELECTION TO HAVE APPEAL HEARD BY DISTRICT COURT

Fed. R. Bankr. P. 8001(e)

YORK CREDIT OPPORTUNITIES FUND, L.P Appellant, hereby elects to have its appeal from the judgment, order or decree of the bankruptcy judge entitled "Final Order Authorizing the Retention of Alston & Bird, L.L.P. as counsel to Dennis J. Connolly, Chapter 11 Trustee" (the "Employment Order") entered in this case on the 21st day of June 2007 transferred from the Bankruptcy Appellate Panel to the District Court.

DATED: July 2, 2007

ST. JAMES LAW, P.C.

UNITED STATES BANKRUPTCY COURT
Northern District of California
I certify that this is a true, correct and full copy
of the original document on file in my custody.
Dated 9-18-07
by Janet Dube
Deputy Clerk

By: /s/ Michael St. James
Michael St. James
Counsel for YORK CREDIT OPPORTUNITIES
FUND, L.P
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7 michael@stjames-law.com

8 Counsel for York Credit Opportunities Fund, L.P.

9
10 **UNITED STATES BANKRUPTCY COURT**
11 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

12 In re

13 SONICBLUE INCORPORATED et al.
14 Debtor.

15) Case No. 03-51775 through 03-51778
16) Chapter 11
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CERTIFICATE OF SERVICE

1 I, Michael St. James, declare as follows:

2 I am a citizen of the United States of America, over the age of 18 years and not a party to the
3 within action. My business address is 155 Montgomery Street, Suite 1004, San Francisco, California.

4 On July 2, 2007, I caused to be served the following:

5 **NOTICE OF APPEAL**
6 **ELECTION TO HAVE APPEAL HEARD BY DISTRICT COURT**
7

8 by placing true and correct copies of the above-mentioned documents in sealed envelopes with postage
9 fully pre-paid, addressed as follows:
10

11 **Dennis J. Connolly, Trustee**
12 **Alston & Bird LLP**
13 **One Atlantic Center**
14 **1201 West Peachtree Street**
15 **Atlanta, Georgia 30309-3424**

16 **Grant Stein, Esq.**
17 **Alston & Bird LLP**
18 **One Atlantic Center**
19 **1201 West Peachtree Street**
20 **Atlanta, Georgia 30309-3424**

21 **Cecily Dumas, Esq.**
22 **Friedman Dumas & Springwater, LLP**
23 **150 Spear Street, Suite 1600**
24 **San Francisco, CA. 94105**

25 Said envelope(s) were deposited in the United States mail in the normal course of business. I am
26 readily familiar with the office procedure for depositing of mail and if called upon, would and could
27 competently testify thereto.

28 I declare under penalty of perjury that the foregoing is true and correct. Executed this 2nd day of
July, 2006, at San Francisco, California

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/s/ Michael St James

Michael St. James